

REPORT ON EXPENDITURES OF FEDERAL AWARDS

BAY COUNTY, MICHIGAN



YEAR ENDED DECEMBER 31, 2005



REHMANN ROBSON

Certified Public Accountants

BAY COUNTY, MICHIGAN
REPORT ON EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005
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BAY COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT PERIOD	FEDERAL AWARDS EXPENDED
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
PASSED THROUGH MICHIGAN DEPARTMENT OF				
STATE POLICE				
Emergency Management Assistance	97.042	N/A	10-01-05 to 09-30-06	\$ 5,453
Emergency Management Assistance	97.067	N/A	10-01-04 to 09-30-05	10,561
FEMA Hazardous Mitigation-Garfield Sub	97.039	1346-DR-MI-050	01-01-00 to 12-31-05	66,918
FEMA Hazardous Mitigation- Planning for Bay	97.039	N/A	08-23-04 to 08-22-05	7,123
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				90,055
<u>DEPARTMENT OF TRANSPORTATION</u>				
PASSED THROUGH MICHIGAN DEPARTMENT OF				
TRANSPORTATION				
Highway Planning & Construction	20.205	PL80906	10-01-04 to 09-30-05	93,359
Highway Planning & Construction	20.205	PL85191	10-01-05 to 09-30-06	20,574
Federal Transit Administration	20.205	FTA 80899	10-01-04 to 09-30-05	13,348
PASSED THROUGH OFFICE OF HIGHWAY SAFETY				
PLANNING				
Drive Michigan Safely	20.604	PT-05-11	11-19-04 to 09-30-05	35,740
Drive Michigan Safely	20.604	PT-06-36	11-01-05 to 09-30-06	1,470
PASSED THROUGH MICHIGAN DEPARTMENT OF				
STATE POLICE				
Hazardous Materials Emergency Preparedness LEPC	20.703	NA	10/01/05 to 09/30/06	1,331
TOTAL DEPARTMENT OF TRANSPORTATION				165,822
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
PASSED THROUGH MICHIGAN DEPARTMENT OF				
COMMUNITY HEALTH				
Women,Infants & Child Supp.Food	10.557	XX4W1006	10-01-04 to 09-30-05	219,905
Women,Infants & Child Supp.Food	10.557	XX4W1006	10-01-05 to 09-30-06	85,012
WIC Farmers Market Nutrition Program	10.572		06-01-05 to 12-31-05	14,496
PASSED THROUGH MICHIGAN DEPT. OF EDUCATION				
Juv.Home-National School Breakfast	10.553		07-01-05 to 06-30-06	6,108
Juv.Home-National School Breakfast	10.553		07-01-04 to 06-30-05	6,055
Juv.Home-National School Lunch	10.555		07-01-05 to 06-30-06	10,839
Juv.Home-National School Lunch	10.555		07-01-04 to 06-30-05	10,828
Food Dist.-Commodities	10.550	90008002	07-01-05 to 06-30-06	54
Food Dist.-Commodities	10.550	90008002	07-01-04 to 06-30-05	15
PASSED THROUGH MICHIGAN DEPT. OF AGRICULTURE				
Pesticide and Plant Pest Mgt.	10.664	791N5200379	01-19-05 to 9-30-05	26,828
TOTAL U.S. DEPARTMENT OF AGRICULTURE				380,140

BAY COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT PERIOD	FEDERAL AWARDS EXPENDED
ENVIRONMENTAL PROTECTION AGENCY				
PASSED THROUGH MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY				
Bathing Beach Monitoring Grant	66.472		04-01-05 to 10-31-05	\$ 6,464
DEPARTMENT OF HEALTH & HUMAN SERVICES				
PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY				
IV-D ADC Incentive-Friend of Ct.	93.563	N/A	01-01-03 to 12-31-05	211,387
Cooperative Reimbursement-F.O.C.	93.563	CS/FOC-06-09001	10-01-05 to 09-30-06	223,852
Cooperative Reimbursement-F.O.C.	93.563	CS/FOC-05-09001	10-01-04 to 09-30-05	656,688
Cooperative Reimbursement-F.O.C.Med.Support	93.563	CS/Med-04-09001	10-01-04 to 04-1-05	12,818
Cooperative Reimbursement-Pros.	93.563	CS/PA-06-09002	10-01-05 to 09-30-06	30,821
Cooperative Reimbursement-Pros.	93.563	CS/PA-05-09002	10-01-04 to 09-30-05	80,253
PASSED THROUGH MICHIGAN OFFICE OF SERVICE TO AGING & REGION VII AREA AGENCY ON AGING				
Senior Center Staffing	93.044		10-01-04 to 09-30-05	2,275
Homemaking	93.044		10-01-05 to 09-30-06	3,002
Homemaking	93.044		10-01-04 to 09-30-05	7,798
Homemaking-Care Management	93.044		10-01-05 to 09-30-06	113
Homemaking-Care Management	93.044		10-01-04 to 09-30-05	339
Case Coordination	93.044		10-01-05 to 09-30-06	19,121
Case Coordination	93.044		10-01-04 to 09-30-05	51,137
Federal C1 Congregate Meals-AAA	93.045		10-01-05 to 09-30-06	21,977
Federal C1 Congregate Meals-AAA	93.045		10-01-04 to 09-30-05	85,015
Home Delivered Meals-AAA	93.045		10-01-05 to 09-30-06	20,525
Home Delivered Meals-AAA	93.045		10-01-04 to 09-30-05	78,566
Home Delivered Meals-AAA-Weekend Meals	93.045		10-01-04 to 09-30-05	6,722
Caregiver Training	93.052		10-01-05 to 09-30-06	6,428
Caregiver Training	93.052		10-01-04 to 09-30-05	14,798
Health Promotion	93.043		10-01-05 to 09-30-06	1,445
Health Promotion	93.043		10-01-04 to 09-30-05	3,083
Caregiver Supplemental Services	93.052		10-01-05 to 09-30-06	248
Caregiver Supplemental Services	93.052		10-01-04 to 09-30-05	2,574
Federal CI Congregate Meals-NSIP	93.053		10-01-05 to 09-30-06	7,992
Federal CI Congregate Meals-NSIP	93.053		10-01-04 to 09-30-05	23,570
Home Delivered Meals-NSIP	93.053		10-01-03 to 09-30-04	17,637
Home Delivered Meals-NSIP	93.053		10-01-04 to 09-30-05	50,600
Home Delivered Meals-Weekends-NSIP	93.053		10-01-04 to 09-30-05	1,416
Millage Meal Sites - NSIP	93.053		10-01-05 to 09-30-06	269
Millage Meal Sites - NSIP	93.053		10-01-04 to 09-30-05	794
PASSED THROUGH CHILDREN'S TRUST FUND				
0-3 Secondary Prevention	93.558	CTFPR-02-09001	10-01-04 to 09-30-05	117,944

BAY COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT PERIOD	FEDERAL AWARDS EXPENDED
DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)				
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH				
Family Planning	93.994	B1MIMCHS	10-01-04 to 09-30-05	\$ 4,661
Family Planning	93.994	B1MIMCHS	10-01-05 to 09-30-06	3,328
Family Planning	93.217	05H000173	10-01-04 to 09-30-05	22,436
Family Planning	93.217	05H000173	10-01-05 to 09-30-06	16,022
CSHSC-Outreach & Advocacy	93.994	B1MIMCHS	10-01-04 to 09-30-05	4,589
CSHSC-Outreach & Advocacy	93.994	B1M1MCHS	10-01-05 to 09-30-06	150
CSHSC-Care Coordination	93.778	B1M1MCHS	10-01-04 to 09-30-05	780
MSS/ISS - Local MCH	93.994	B1MIMCHS	10-01-04 to 09-30-05	26,502
MSS/ISS - Local MCH	93.994	B1MIMCHS	10-01-05 to 09-30-06	16,551
Bioterrorism	93.283	CCU517018	10-01-04 to 09-30-05	171,568
Bioterrorism	93.283	CCU517018	10-01-05 to 09-30-06	47,365
Immunization Action Plan	93.268	H23CCH504477	10-01-04 to 09-30-05	31,914
Immunization Action Plan	93.268	H23CCH522556	10-01-04 to 09-30-05	10,599
Immunization/Vaccines	93.268	H23CCH522556-01-4	10-01-04 to 09-30-05	390,770
VFC Provider Site Visits	93.268	H23CCH504477	10-01-04 to 09-30-05	2,900
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES				2,511,342
DEPARTMENT OF JUSTICE				
PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY				
JAG - Bay County/Bay City Law Enforcement Update	16.738	2005-DJ-BX-1320	10-01-04 to 09-30-08	17,780
Functional Family Therapy	16.540	JJCS1-05-09001	02-01-05 to 01-31-06	78,166
Juvenile Accountability Incentive Block Grant	16.540	JAIBG-04-09001	04-01-04 to 03-31-05	8,243
Juvenile Accountability Incentive Block Grant	16.540	JAIBG-05-09001	04-01-05 to 03-31-06	16,282
PASSED THROUGH BUREAU OF JUSTICE ASSISTANCE				
Bulletproof Vest Partnership Program	16.607			2,525
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH				
Victims of Crime Act (VOCA)-Abuse Intervention	16.575	20745-2V02	10-01-04 to 09-30-05	39,843
Victims of Crime Act (VOCA)-Abuse Intervention	16.575	20745-4V02	10-01-05 to 09-30-06	13,100
Bay Area Narcotics Enforcement Team-Prosecutor	16.738	ODCP70909-6-06-B	10-01-05 to 09-30-06	6,052
Bay Area Narcotics Enforcement Team-Prosecutor	16.738	ODCP70909-5-04-B	10-01-04 to 09-30-05	10,864
Bay Area Narcotics Enforcement Team-Sheriff	16.738	ODCP70909-6-06-B	10-01-05 to 09-30-06	8,312
Bay Area Narcotics Enforcement Team-Sheriff	16.738	ODCP70909-5-04-B	10-01-04 to 09-30-05	22,178
TOTAL DEPARTMENT OF JUSTICE				223,345
U.S. DEPARTMENT OF HOMELAND SECURITY				
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE				
2003 Homeland Security Assess.& Strategy	16.007	03 SHSGP	04/01/03 to 07/31/05	6,266
2003 Homeland Sec.Grant Part II Solution Area Planner	16.007	03 SHSGP	01/01/04 to 04/30/05	11,637
2003Homeland Sec.Assess.& StrategyPart II Training	97.004	03 SHSGP	03/01/04 to 07/31/05	5,533
2004 Homeland Security Grant Program SHSGP	97.004	04 HSGP	08/01/04 to 2/28/06	272,714
2004 Citizen Corps. Grant Agreement SHSGP	97.053	04 HSGP	09/07/04 to 04/30/06	2,471
2003 Homeland Security SHSGP CERTDAP	97.004	04SHSGP	12/1/05 to 01/31/06	308

BAY COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT PERIOD	FEDERAL AWARDS EXPENDED
U.S. DEPARTMENT OF HOMELAND SECURITY (CONTINUED)				
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE				
2004 Homeland Security Grant Program SHSGP	97.004	04 HSGP	08/01/04 to 02/28/06	\$ 4,297
2005 Homeland Security CBRNE	97.067	04 HSGP	10/01/04 to 01/31/07	15,917
2005 Homeland Security CBRNE	97.067	05 HSGP	10/01/04 to 01/31/07	15,000
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>334,143</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
PASSED THROUGH MICHIGAN ECONOMIC DEVELOPMENT CORPORATION				
Michigan Community Development Block Grant	14.228	MSC 203025-EDPA	03-01-04 to 02-28-05	8,162
PASSED THROUGH MI STATE HOUSING DEVELOPMENT AUTHORITY				
Bay Co. Housing Assistance Program	14.239	MSC 2004-0757-HOA	01-01-04 to 12-31-05	<u>131,085</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				<u>139,247</u>
U.S. DEPARTMENT OF EDUCATION				
PASSED THROUGH MICHIGAN DEPT OF EDUCATION/BAY-ARENAC ISD				
Maternal & Infant Support - Early On Part C of IDEA	84.181	1348/199	07-01-04 to 06-30-05	25,712
Maternal & Infant Support - Early On Part C of IDEA	84.181	1348/199	07-01-05 to 06-30-06	<u>25,303</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>51,015</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT AND DRAIN COMMISSION COMPONENT UNIT				<u><u>\$ 3,901,573</u></u>

NOTES:

- (1) The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Bay County and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non Profit Organizations.



REHMANN ROBSON

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A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 15, 2006

Board of Commissioners
County of Bay
Bay City, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Bay, Michigan** as of and for the year ended December 31, 2005, and have issued our report thereon dated June 15, 2006. We did not audit the financial statements of the Bay County Housing Commission, which represents 100% of the assets and revenues of the Housing major fund opinion unit; the financial statements of the Bay County Road Commission Component Unit, which represents 58.59% of the assets and 53.95% of the revenues of the aggregate discretely presented component units; and the financial statements of the Bay County Department of Water and Sewer, which represents 25.35% of the assets and 14.40% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Commission, Road Commission and Department of Water and Sewer, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **County of Bay, Michigan's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *County of Bay, Michigan's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of *County of Bay, Michigan* in a separate letter dated June 15, 2006.

This report is intended solely for the information and use of the audit committee, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.



REHMANN ROBSON

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A member of **THE REHMANN GROUP**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

August 25, 2006

Board of Commissioners
County of Bay
Bay City, Michigan

Compliance

We have audited the compliance of the ***County of Bay, Michigan*** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. The ***County of Bay, Michigan's*** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the ***County of Bay, Michigan's*** management. Our responsibility is to express an opinion on the ***County of Bay, Michigan's*** compliance based on our audit.

The County of Bay, Michigan's financial statements include the operations of the Road Commission component unit and the Housing Department enterprise fund, which received \$1,633,465 and \$304,335, respectively, in federal awards which is not included in the Schedule of Federal Awards for the year ended December 31, 2005. Our audit, described below, did not include the operations of the Road Commission Component Unit and the Housing Commission Enterprise Fund because the component unit and enterprise fund engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the ***County of Bay, Michigan's*** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the ***County of Bay, Michigan's*** compliance with those requirements.

In our opinion, the *County of Bay, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the *County of Bay, Michigan* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the *County of Bay, Michigan's* internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Bay*, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 15, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the *County of Bay's* basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not required as part of the financial statements of the *County of Bay*. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the financial statements of the Bay County Housing Commission, which represents 100% of the assets and revenues of the Housing major fund opinion unit; the financial statements of the Bay County Road Commission Component Unit, which represents 58.59% of the assets and 53.95% of the revenues of the aggregate discretely presented component units; and the financial statements of the Bay County Department of Water and Sewer, which represents 25.35% of the assets and 14.40% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Commission, Road Commission and Department of Water and Sewer, is based on the reports of the other auditors.

This report is intended solely for the information and use of the audit committee, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



BAY COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

*Unqualified on
financial statements*

Internal controls over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified not
considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial
statements noted?

_____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified not
considered to be material weaknesses?

_____ yes X none reported

Type of auditor's report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required to
be reported in accordance with Circular A-133,
Section 510(a)?

_____ yes X no

Identification of Major Programs:

CFDA Number(s)

93.563

Name of Federal Program or Cluster

Title IV-D Child Support Enforcement

Dollar threshold used to distinguish
between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X yes _____ no

BAY COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

BAY COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2005

2004-1	Allocation of Payroll Expenditures
Grantor:	U.S. Department of Health and Human Services CFDA #: 93.563
Award Name:	Title IV-D Child Support Enforcement
Condition:	<p>Office of Management and Budget Circular No. A-87, <i>Cost Principles for State, Local, and Indian Tribal Governments</i>, requires that when employees work on multiple activities / are charged to both federally funded and non-federally funded cost centers, the distribution of their salaries or wages must be supported by personnel activity reports or a statistical sampling system that has been approved by the cognizant Federal agency.</p> <p>As part of reporting time spent working on the grant, employees complete a scantron sheet by shading boxes to indicate the amount of time worked on the grant. The scantron sheets are forwarded to a service provider, where the completed sheets are read (mechanically) and used to compile reports of all employees' time worked on the grant. Results of our procedures indicate that the boxes on the scantron sheets are not always completely shaded, which causes the sheets to be misread, which causes time reports to be generated that are not reflective of the actual time worked.</p> <p>No costs were questioned in the current year as a result of these findings.</p>
Recommendation:	We recommend that the County implement procedures to ensure that the actual time worked on the grant is reported to the grantor and that the time reported is not misrepresented because of monthly payroll cut-off issues or incomplete scantron sheets.
Status:	The County has implemented corrective action and this is not considered a finding in 2005.